REMARKS

I. Formalities

Claims 2-13, 15-16, and 41-52, are in the subject patent application. Applicant cancels without prejudice claims 1, 14, and 29-40 and amends claims 2-6, and 15-16 herein. Applicant also adds new claims 41-52 herein.

Specifically, Applicant amends claims 15 and 16 into independent claims by incorporating the limitations of claims 1 and 14 from which claims 15 and 16 depended. Applicant also amends claims 15 and 16 to overcome the indefiniteness issue the USPTO raised in relation to claim 1. Applicant amends claims 2 and 4-6 to depend from amended claim 15 instead of cancelled claim 1. New claims 41-52 are identical to claims 2-13, except claims 41-52 depend from claim 16, instead of claim 15. No new matter is added herein by these amendments, and the amendments to claims 2 and 4-6 are not made for reasons related to patentability.

II. The 35 U.S.C. §112 Rejection of Claims 1, 29, and 40 Is Moot

The USPTO rejects claims 1, 29, 39, and 40 under 35 U.S.C. §112, second paragraph, as being indefinite for allegedly failing to particularly point out and distinctly claim the subject matter. Specifically, the USPTO objects to claims 1, 29, 39, and 40 because the phrase "a year-to-year accruable health spending account compliant with Section 105 of Internal Revenue Code of 1986 for a member of an employer-sponsored health plan" is unclear. Applicant cancels claims 1, 29, 39, and 40 herein and thus, rendering the 35 U.S.C. §112 rejection of claims 1, 29, 39, and 40 moot.

Applicant notes that independent claims 15 and 16, as amended, state, in part, a "method of funding a year-to-year accruable health spending account compliant with Section 105 of Internal Revenue Code of 1986, the year-to-year accruable health spending account is for a member of an employer-sponsored health plan." Applicant respectfully submits that independent claims 15 and 16 comply with 35 U.S.C. §112.

III. Claims 2-13 Are Allowable in View of 35 U.S.C. §101

The USPTO rejects claims 1-14, 29, 31, and 34-40 under 35 U.S.C. §101 because claims 1-14, 29, 31, and 34-40 are directed to non-statutory subject matter, namely an abstract idea.

Applicant cancels claims 1, 14, 31, and 34-40 herein and thus, rendering the rejection of claims 1, 14, 31, and 34-40 moot. Applicant amends claims 2-13 to depend from claim 15. Dependent claims must be construed to include all of the limitations of the claims from which they depend, as required by 37 C.F.R. 1.75(c) and M.P.E.P. 608.01(n).

Applicant notes the USPTO did not reject claim 15 under §101, and thus, claim 15 is directed to statutory subject matter. Accordingly, amended claims 2-13, which now depend from claim 15, are also directed to statutory subject matter, and the 35 U.S.C. §101 rejection of claims 2-13 should be withdrawn.

IV. Claims 2-13 and 15-16 Are Allowable in View of 35 U.S.C. §103

A. Independent Claim 15 Is Allowable Over Kahn, Lencki, Raskin, and Schoenbaum

Claim 15, as amended, overcomes the rejection under 35 U.S.C. §103(a) as being allegedly unpatentable over U.S. Patent Publication No. 2002/0184148 to Kahn et al. (hereinafter "Kahn") in view of U.S. Patent Publication No. 2002/0049617 to Lencki et al. (hereinafter "Lencki") and in further view of U.S. Patent Publication No. 2001/0037214 to Raskin et al. (hereinafter "Raskin") and in further view of U.S. Patent Publication No. 2006/0064332 to Schoenbaum et al. (hereinafter "Schoenbaum") because the combination of Kahn, Lencki, Raskin, and Schoenbaum does not teach or suggest every limitation of amended claim 15.

Claim 15 requires, in part, "calculating the directed contribution amount to the year-to-year accruable health spending account compliant with Section 105 of Internal Revenue Code of 1986 by subtracting either the selection allocation or the option cost from the defined contribution value." Claim 15 further requires, in part, "transferring a first amount from an employer funded account to the year-to-year accruable health spending account ... and withdrawing a sum from the year-to-year accruable health spending account to reimburse the member for a medical expense." The combination of Kahn, Lencki, Raskin, and Schoenbaum fail to teach or suggest these limitations.

Kahn teaches a payroll service where the employee can commit to "an optional one-year fixed deduction to a pre-tax medical plan, which the Employer can match in a medical savings account cafeteria plan." Paragraph 0156 of Kahn (internal quotations omitted). Nowhere within

the four corners of Kahn is a year-to-year accruable health spending account taught or suggested, as required by claim 15. Instead, Kahn teaches away from claim 15.

Lencki teaches using a flexible saving account (FSA). Paragraph 0193 of Lencki. FSAs, however, are not accruable year-to-year. Specifically, "FSA rules force the participant to predict exactly his healthcare expense for a 12-month period and punish the participant, through the use-it-or-lose-it rule, for spending less than predicted so the incentive is to spend all the money before the end of the year." Paragraph 005 of Applicant's Specification. That is, money contributed to an FSA and not used for medical expenses during that same year is lost; the participant cannot carry over the money in the FSA for medical expenses during subsequent years. Accordingly, Lencki does not teach or suggest a year-to-year accruable health spending account, as required by claim 15. Instead, Lencki teaches away from claim 15.

Raskin teaches an account with two parts: (a) a Previous Year Amount Available, and (b) a Current Year Amount Available. The Previous Year Amount Available can be used to only reimburse expenses from the previous year and not the current year. Paragraphs 037, 043, and 44. The Current Year Amount Available can be used to only reimburse a claim from the current year and not the previous year. Paragraphs 041 and 042. Consequently, Raskin fails to teach or suggest a year-to-year accruable heath spending account, as required by claim 15. Instead, Raskin also teaches away from claim 15.

Schoenbaum does not provide the missing teachings of Kahn, Lencki, and Raskin. Schoenbaum teaches a flexible saving account calculator (FSAC) to calculate the optimal contribution to a non-accruable flexible saving account (FSA). Specifically, Schoenbaum teaches

> The Flexible Spending Account Calculator (FSAC) is a computer-based tool that is designed to help consumers decide how much money to contribute to their flexible spending account for health care. Flexible spending accounts permit consumers to pay for health care using pre-tax dollars; however, in general consumers must decide how much money to contribute to their account at the beginning of a calendar year, and they lose any money that they do not spend by the end of that year. Consumers' decisions about the optimal amount to contribute are considerably complicated by two factors: uncertainty regarding the incidence of medical expenditures over the course of the coming benefit year and the loss of any unspent money in the FSA at the end of the year.

(emphasis added). Paragraph 0054 of Schoenbaum; also see paragraph 0007 of Schoenbaum ("money [in a FSA] is not carried over to next year's FSA but is lost if not spent."). Accordingly, Schoenbaum does not teach or suggest a year-to-year accruable health spending account, as required by claim 15. Instead, Schoenbaum also teaches away from claim 15.

In light of the foregoing remarks, Applicant respectfully submits that Kahn, Lencki, Raskin, and Schoenbaum, either alone or in combination, cannot teach, suggest, or otherwise render obvious at least the following limitations of claim 15: (a) calculating the directed contribution amount to the year-to-year accruable health spending account compliant with Section 105 of Internal Revenue Code of 1986 by subtracting either the selection allocation or the option cost from the defined contribution value; (b) transferring a first amount from an employer funded account to the year-to-year accruable health spending account; and (c) withdrawing a sum from the year-to-year accruable health spending account to reimburse the member for a medical expense. Applicant therefore respectfully requests that amended independent claim 15 be allowed.

B. Claims 2-13 Are Allowable Over Kahn, Lencki, Raskin, and Schoenbaum

Claim 2-13 depend, directly or indirectly, on independent claim 15. Dependent claims must be construed to include all of the limitations of the claims from which they depend, as required by 37 C.F.R. 1.75(c) and M.P.E.P. 608.01(n). The deficiencies of the combination of Kahn, Lencki, Raskin, and Schoenbaum in relation to claim 15 are discussed above. Accordingly, the USPTO should allow claims 2-13 for at least the same reasons as listed earlier for claim 15, as well as for their own respective limitations.

Additionally, claim 5, as amended, requires, in part, "presenting a predicted contribution amount for the year-to-year accruable health spending account." As discussed above, none of Kahn, Lencki, Raskin, or Schoenbaum teach a year-to-year accruable health spending account, much less teach presenting a predicted contribution amount for the year-to-year accruable health spending account, as required by claim 5. Accordingly, Applicant respectfully requests the allowance of claim 5 for at least this additional reason.

Claim 7, as amended, requires, in part, "calculating a predicted contribution amount for the year-to-year accruable health spending account by subtracting the option cost from the defined contribution value." As discussed above, none of Kahn, Lencki, Raskin, and Schoenbaum teach a year-to-year accruable health spending account, and much less teach calculating a predicted contribution amount for the year-to-year accruable health spending account by subtracting the option cost from the defined contribution value, as required by claim 7. Accordingly, Applicant respectfully requests the allowance of claim 7 for at least this additional reason.

C. Independent Claim 16 Is Allowable Over Kahn, Lencki, Raskin, and Schoenbaum

Claim 16, as amended, overcomes the rejection under 35 U.S.C. §103(a) as being allegedly unpatentable over Kahn, Lencki, Raskin, and Schoenbaum because the combination of Kahn, Lencki, Raskin, and Schoenbaum does not teach or suggest every limitation of amended claim 16.

Claim 16 requires, in part, "calculating the directed contribution amount to the year-to-year accruable health spending account compliant with Section 105 of Internal Revenue Code of 1986 by subtracting either the selection allocation or the option cost from the defined contribution value." Claim 16 further requires, in part, "transferring a first amount from an employer funded account to the year-to-year accruable health spending account." The combination of Kahn, Lencki, Raskin, and Schoenbaum fail to teach or suggest these limitations.

As discussed above, Kahn teaches a payroll service where the employee can commit to an optional one-year fixed deduction to a pre-tax medical plan. Lencki and Schoenbaum disclose using a FSA to reimburse medical expenses, but FSAs are not accruable.

Raskin teaches an account with two parts: (a) a Previous Year Amount Available, and (b) a Current Year Amount Available. The Previous Year Amount Available can be used to only reimburse expenses from the previous year and not the current year. The Current Year Amount Available can be used to only reimburse a claim from the current year and not the previous year. Therefore, each of Kahn, Lencki, Schoenbaum, and Raskin teach away from claim 16.

Furthermore, claim 16, as amended, also requires, in part, "withdrawing a first sum from a flexible spending account to reimburse the member for a medical expense; withdrawing a

second sum from the year-to-year accruable health spending account to reimburse the member for a remainder of the medical expense when the first sum is less than the medical expense." None of Kahn, Lencki, Raskin, and Schoenbaum teach these limitations because none of the references teach a method of paying out-of-pocket health care expenses using a flexible spending account and a year-to-year accruable health spending account, as required by claim 16.

In light of the foregoing remarks, Applicant respectfully submits that Kahn, Lencki, Raskin, and Schoenbaum, either alone or in combination, cannot teach, suggest, or otherwise render obvious amended independent claim 16. Applicant therefore respectfully requests that amended independent claim 16 be allowed.

V. New Claims 41-52 Are Allowable

New claims 41-52 depend, directly or indirectly, from independent claim 16. Dependent claims must be construed to include all of the limitations of the claims from which they depend, as required by 37 C.F.R. 1.75(c) and M.P.E.P. 608.01(n). The deficiencies of Kahn, Lencki, Raskin, and Schoenbaum in relation to claim 16 are discussed above. Accordingly, the USPTO should allow claims 41-52 for at least the same reasons as listed earlier for claim 16, as well as for their own respective limitations.

Additionally, claim 44 requires, in part, "presenting a predicted contribution amount for the year-to-year accruable health spending account." As discussed above, none of Kahn, Lencki, Raskin, or Schoenbaum teach a year-to-year accruable health spending account, much less teach presenting a predicted contribution amount for the year-to-year accruable health spending account, as required by claim 44. Accordingly, Applicant respectfully requests the allowance of claim 44 for at least this additional reason.

Claim 46 requires, in part, "calculating a predicted contribution amount for the year-to-year accruable health spending account by subtracting the option cost from the defined contribution value." As discussed above, none of Kahn, Lencki, Raskin, and Schoenbaum teach a year-to-year accruable health spending account, and much less teach calculating a predicted contribution amount for the year-to-year accruable health spending account by subtracting the option cost from the defined contribution value, as required by claim 46. Accordingly, Applicant respectfully requests the allowance of claim 46 for at least this additional reason.

CONCLUSION

Applicant has made an earnest attempt to place this case in condition for allowance. In light of the amended claims and remarks set forth above, Applicant respectfully request consideration and allowance of all of the pending claims.

Applicant respectfully requests that the $1,110.00 extension fee due in connection with this Response to Office Action be charged to Account No. 02-4467. However, the Commissioner for Patents is hereby authorized to charge any additional fees necessitated by the filing of this paper, or credit any overpayment, to Account No. 02-4467.

If there are matters that can be discussed by telephone to further the prosecution of this application, Applicant invites Examiner Frenel to call the undersigned attorney at the Examiner's convenience.

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